



**Betsy Gara  
Executive Director  
Connecticut Council of Small Towns  
Before the Planning & Development Committee  
March 11, 2015**

The Connecticut Council of Small Towns (COST) appreciates the opportunity to comment on **HB-6953, AN ACT ALLOWING THE BIFURCATION OF MUNICIPAL TAX BILLS.**

COST supports the intent of the bill - to provide greater transparency to the public regarding what portion of their taxes are attributable to education. We also appreciate that it is a local option bill and towns may choose to implement this if they believe it will be helpful. We are concerned, however, that bifurcated tax bills may result in added administrative costs associated with the issuance and collection of separate tax bills.

It is also important to point out that towns have embraced efforts to provide greater transparency regarding local budget issues, including how the education budget will affect mill rates. Proposed budgets are posted on town websites and available for review at town halls and in libraries. Communities regularly hold forums on proposed budgets and communicate with residents regarding the proposed budget via electronic newsletters, newspaper articles, etc. In many small towns, the budget must be approved at a town meeting where residents have the opportunity to voice concerns and ask questions.

In addition, towns and boards of education are in the process of implementing the Uniform Chart of Accounts (UCOA), which is intended to provide greater transparency in local budget expenditures. Even without the UCOA, residents certainly seem to have an understanding of how much of their taxes goes to pay for education and often express concerns at public hearings, town meetings, letters to the editor, comments on social media, at the polls or in line at the local grocery store.

COST appreciates the intent of the bill to give towns and residents more control over local education budgets. We urge committee members to provide towns with the tools needed to achieve efficiencies and savings in the delivery of core services, including education.

Unfortunately, state mandates such as the Minimum Budget Requirement, prohibit towns from reducing the size of their education budget from one year to the next, except under certain, limited circumstances, such as a significant drop in enrollment or



school closure. Even then, towns are limited in how much they can reduce the education budget from the previous year under the MBR.

COST urges committee members to address the MBR issue and other education and local mandates.

Regarding provisions in the bill which allow towns to establish different mill rates for real property, motor vehicles and other personal property, it is unclear what this is intended to accomplish. We are concerned that the language capping the difference in mill rates for taxing districts could undermine the ability of towns to fund fire, water and sewer districts.

We urge lawmakers to carefully consider the impact of this proposal on local services and will make our staff and members available to meet with committee members to discuss these issues more fully.

Thank you for the opportunity to comment.

**Connecticut Council of Small Towns**

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